

Suffolk DA mortgage fraud investigations see success, Israel announces proposal to attack financial crimes from the federal and local level ***Suffolk DA mortgage fraud investigations see success, Israel announces proposal to attack financial crimes from the federal and local level***

Huntington, NY – Friday, Rep. Steve Israel (D – Huntington) and Suffolk County District Attorney Thomas Spota called for new funds to fight financial crimes.

"It's cheaper to fund tough law enforcement to stop financial crimes than bailing-out the victims of those crimes. And those victims are all too often middle class investors and home owners who wind up losing their life savings or the roof over their heads." Israel said. "Here on Long Island, District Attorney Spota has been tremendously successful in fighting mortgage fraud given very limited resources. Today I'm announcing a new plan that calls for more funding to fight financial crimes locally and nationally."

"Investigating and prosecuting financial crimes is always an expensive undertaking. The seizure and review of paper and electronic records, the culling of information from computer hard drives, the inspection of bank and other financial statements are all time consuming tasks that require specialized training," Spota said. "More funding for additional investigators, forensic auditors, assistant district attorneys and staff is essential to continue to successfully investigate these schemes."

Israel's proposal calls for a \$200 million investment from the federal government to attack and prevent financial crimes on several fronts, including:

- Funds for state and local governments to create and expand financial crimes investigation departments. By expanding the ability of local governments, such as the Suffolk County District Attorney's Office, to investigate and prosecute criminals, financial crimes can be thwarted earlier, saving families and communities from devastating losses.
- A budget increase for the Department of Treasury's Financial Crimes Enforcement Network, which is a multisource financial intelligence and analysis network. Additional funding would allow for training of local investigators and an expansion of services available to state and local district attorneys.
- Hiring several hundred additional FBI agents, who will be dedicated to the discovery and investigation of financial crimes. Since 2001, The FBI has lost 625 agents, or 36% of their staff, from their white collar investigation ranks.
- Increase prosecution and enforcement by funding the hiring of additional staff in the Department of Justice and Securities and Exchange Commission for the purposes of punishing white collar criminals.

In June 2008, Spota created a Mortgage Fraud Unit and assigned three prosecutors, two detective investigators, 2 state police investigators, and a forensic auditor to the investigation

and prosecution of these cases. To date this unit has been responsible for 27 arrests and indictments involving approximately 180 properties.

Rep. Israel serves on the House Appropriations Committee. He previously served on the House Financial Services Committee.